

From: Nathan Vaughn <Nathan.Vaughn@Fwellc.com>
Sent: Friday, January 29, 2021 5:36 PM
To: Gurses, Kamil; Scott, Danielle
Cc: Richardson, Rex; Greaser, Daniel; Heath Suire
Subject: MC 519 - SOP Activity Schedule
Attachments: MC 519 SOP Activity Schedule.docx

Kamil / Danielle:

We very much appreciate you sending us BP's proposed SOP Schedule, but we have some questions about it. Our mutual goal is to ensure the MC 519 lease doesn't expire. BP's proposed schedule shows an expected Genovesa production date of 31 May 2021, which is nearly two months after the 5 April 2021 lease termination date. In reviewing BP's schedule the primary reason for the delayed production date is a number of activities (such as Host Facility Readiness, including procedures, hazops and operator training) that should already have been completed or at least gotten underway, and that are within BP's control, which means they can be completed in time to ensure a startup date before the lease expiration date.

We don't believe that an SOP should be necessary because we are confident that, working together, bringing Genovesa on line before 5 April 2021 is very achievable. And as we have offered in the past, we are fully prepared to take over operations of the Single Flow Line project if BP is not certain it can complete it in time to bring Genovesa on line before 5 April 2021. To the extent an SOP application is submitted, it should be purely as a safety net in the event that we experience unexpected delays that are outside of the parties' control. By following the timeline that we submitted on 15 January we can ensure that the lease does not expire. The entire Fieldwood team is standing by 24/7 to help BP reach this goal.

We have talked with BSEE about the current status of MC 519 and the plans for returning it to production. The guidance we received from BSEE during these discussions (and also found in BSEE's NTL's and other documents) is that SOP submissions usually are expected 3-4 weeks prior to the lease expiration date and should be submitted only if production is not expected to begin before the lease expiration date. So we don't believe that an SOP is needed and, to the extent it ever is, based on BSEE's guidance, it should be filed closer to the date of possible lease expiration and only if production by the 5 April 2021 expiration date does not seem achievable.

That said, out of an abundance of caution given the recent DOI order, we are finalizing an application for an SOP to be ready to submit to BSEE. The only missing piece to complete this SOP application is an agreement by BP and Fieldwood on the Activity Schedule. To that end, for BP's concurrence, I have attached Fieldwood's proposed SOP Activity Schedule. Once we get BP's concurrence, we will be in a position to finalize the SOP application and timely file it per BSEE's instructions, should that be necessary.

I look forward to hearing from you.

Best,

Nathan

Nathan Vaughn | Deepwater Land Advisor



2000 W. Sam Houston Pkwy S., Suite 1200
Houston, Texas 77042
nathan.vaughn@fwelc.com
Office: 713.969.1085
Cell: 832.904.3581

Attachment “X”

MC 519 (OCS-G 27278)

SOP ACTIVITY SCHEDULE

<u>Planned Activity</u>	<u>Timeline</u>
• MC 519 #3 (Genovesa) Jumper Recovery	February 2020
• Host Facility Updates, Readiness and Commissioning	February 2020
• MC 519 #2 (Santiago) Flowline Jumper Recovery	March 2020
• MC 519 #3 (Genovesa) Jumper Reinstallation	April 2020
• Commence Production from MC 519 #3 (Genovesa)	April 2020